

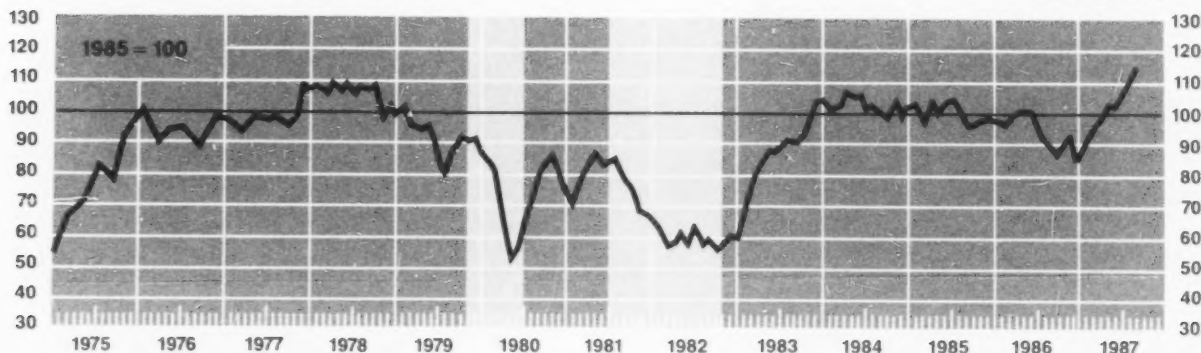
Consumer Attitudes and Buying Plans



A Monthly Report from The Conference Board
Based on a Survey Conducted by NFO Research, Inc.

Consumer Confidence Index

October, 1987



CONSUMERS' SPIRITS SOAR SPENDING PLANS IMPROVE

The measure of consumer optimism registered another impressive gain in September. The Board's Confidence Index (1985 = 100) is now at 114.8, up 4 points for the month. The latest figure represents the third consecutive monthly gain. Since June, the Index is up by more than 12 percent. Strong readings were picked up in just about all major geographical regions of the country.

Consumers are both more satisfied with ongoing conditions, and more optimistic about the immediate future. In assessing the current scene, a larger number of respondents than last time feel that business conditions are "good." Similarly, more people feel comfortable with the prevailing employment situation.

People are also more optimistic in their expectations for the next six months. There has been a good gain in the number that believe general business conditions will improve. Consumers are also more secure about employment opportunities in the months ahead. Finally, many more respon-

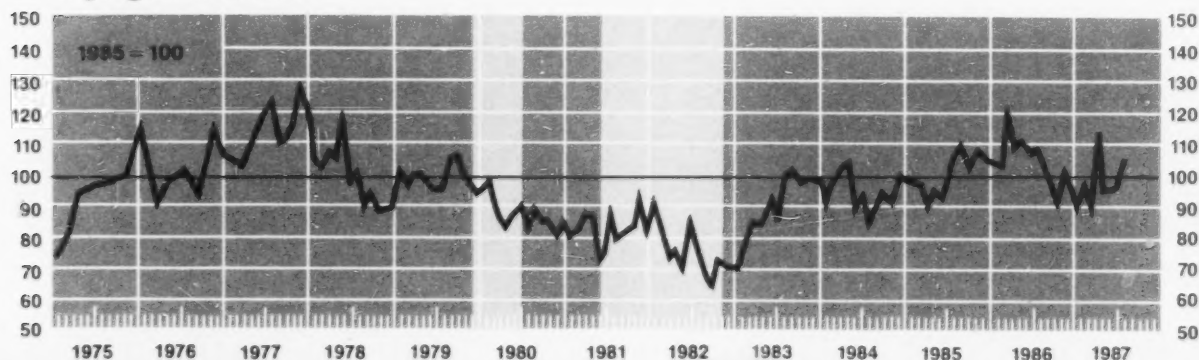
dents than last time expect their families' incomes to increase over the next six months.

Buying plans for automobiles are more prevalent. Some 8.4% of all households contacted said that they plan to purchase a car within the next six months, up from 7.1% previously. Also, slightly more respondents have plans to buy a major appliance in the coming months. However, the incidence of home purchasing intentions dropped to 3.9% from an earlier 4.1%. A rise in the mortgage rate may have contributed to this development.

The increasing confidence of consumers can probably be attributed largely to a markedly better job situation. Unemployment is now running at 6%, down from 7% a year ago, a performance which has exceeded even the most optimistic forecasts. There are presently some 113 million people earning a paycheck, up from 110 million at this time last year, for a growth of 2.7 percent. Even in the prosperous years of the Sixties, employment rose at an average annual rate of less than 2 percent. Of all people of working age (20 to 65), the largest proportion ever, over 79%, are currently earning a paycheck.

Fabian Linden

Buying Plans Index



All data seasonally adjusted

Consumer Expectations and Intentions
Based on surveys conducted by NFO Research, Inc.
Percentage of all households = 100%

All series seasonally adjusted	1986				1987								
	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug. (r)	Sep. (p)
Composite Series: Index Numbers, 1985 = 100													
Consumer Confidence Index	89.7	85.8	89.7	92.2	85.4	91.8	95.6	97.4	103.0	102.1	105.8	110.7	114.8
Present Situation	90.3	85.4	86.7	94.7	85.0	91.9	94.2	92.7	99.1	107.9	108.2	113.6	120.2
Expectations	89.4	86.1	92.0	92.2	85.6	91.8	96.8	100.5	105.6	98.2	109.8	107.5	111.3
Buying Plans Index	105.3	98.8	95.0	100.6	98.9	93.1	98.7	89.7	113.4	94.5	96.0	98.5	105.7
Appraisal of Present Situation: Percent													
Business Conditions													
Good	24.9	23.9	23.8	24.7	20.9	24.8	24.0	23.3	25.2	28.9	26.1	28.5	29.7
Bad	26.9	26.9	27.0	25.1	28.1	26.1	26.4	24.7	24.6	22.7	22.9	20.3	19.1
Normal	48.2	49.2	49.2	50.2	51.0	49.1	49.6	52.0	50.2	48.4	51.0	51.2	51.2
Employment													
Jobs plentiful	19.8	18.4	18.7	20.9	19.6	20.8	21.9	20.5	21.9	25.1	24.6	27.0	27.9
Jobs not so plentiful	46.3	45.8	46.2	46.8	46.2	45.1	45.6	46.7	47.9	44.3	46.1	45.3	45.7
Jobs hard to get	33.9	35.8	35.1	32.3	34.2	34.1	32.5	32.8	30.2	30.6	29.3	27.7	26.4
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	19.1	18.5	19.0	18.3	16.0	19.0	18.2	18.8	20.8	18.5	19.6	22.0	23.8
Worse	11.2	13.2	10.2	10.7	11.1	10.2	9.1	7.3	7.8	9.3	7.4	7.2	7.4
Same	69.7	68.3	70.8	71.0	72.9	70.8	72.7	73.9	71.4	72.2	73.0	70.8	68.8
Employment													
More jobs	15.6	14.3	15.4	14.8	12.6	14.7	14.9	16.5	17.7	16.1	17.5	20.1	20.5
Fewer jobs	20.9	21.5	19.6	18.4	19.0	19.7	15.6	15.6	14.1	16.0	14.6	15.3	14.6
Same	63.5	64.2	65.0	66.8	68.4	65.6	69.5	67.9	68.2	67.9	67.9	64.6	64.9
Income													
Increase	24.3	24.1	24.0	25.6	21.1	24.6	24.5	23.3	24.1	23.7	26.1	26.5	28.6
Decrease	9.8	8.9	8.8	8.6	8.4	8.3	8.1	8.2	6.6	7.4	6.6	7.5	5.8
Same	65.9	67.0	67.2	65.8	70.5	67.1	67.4	68.4	69.3	68.9	67.3	66.0	65.6
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	8.6	7.8	7.6	7.9	7.4	7.8	7.5	7.2	9.0	7.0	7.7	7.1	8.4
New	4.8	4.4	3.8	4.6	3.4	4.0	4.0	4.3	4.2	3.3	4.8	3.6	3.9
Used	2.5	2.3	2.7	2.6	2.6	2.9	2.8	2.2	3.6	3.1	2.1	2.9	3.2
Uncertain	1.3	1.1	1.1	0.7	1.4	0.9	0.7	0.7	1.2	0.6	0.8	0.6	1.3
Home													
Yes	4.4	4.0	3.1	4.3	4.4	3.1	4.1	3.2	4.1	3.3	3.6	4.1	3.9
New	1.2	1.1	1.1	1.1	1.5	1.1	1.4	0.7	1.3	0.9	0.8	1.4	1.2
Lived in	2.1	1.7	1.6	2.1	1.9	1.3	2.0	1.7	1.8	1.5	2.1	1.8	1.8
Uncertain	1.1	1.2	0.4	1.1	1.0	0.7	0.7	0.8	1.0	0.9	0.7	0.9	0.9
Major appliances													
Total plans	28.4	28.3	28.7	30.8	28.5	29.1	29.1	27.4	36.3	29.4	29.8	30.5	31.2
Refrigerator	4.2	4.9	4.8	4.4	5.3	5.2	4.6	4.0	5.6	4.7	4.6	4.5	4.7
Washing machine	4.2	4.3	4.3	4.4	4.2	3.8	4.3	3.6	4.8	3.9	4.4	4.1	5.3
TV Set	7.2	6.7	6.9	7.8	6.8	7.7	7.1	6.5	9.2	7.4	7.8	7.2	7.2
Vacuum Cleaner	4.8	4.6	4.9	5.6	4.3	4.8	5.5	5.2	6.4	4.6	4.8	5.0	5.3
Range	3.0	3.0	3.2	3.2	3.0	2.8	2.5	3.3	3.9	2.9	3.2	3.3	2.9
Clothes dryer	3.4	3.2	3.4	3.7	3.3	3.3	3.7	3.0	4.1	3.8	3.2	3.6	3.7
Air conditioner	1.6	1.6	1.3	1.7	1.6	1.5	1.4	1.8	2.3	2.1	1.8	2.8	2.1
Carpet	7.2	7.4	6.9	7.7	7.7	7.0	8.2	6.0	10.0	7.3	7.0	6.0	8.3
Vacation Intended Within Six Months: Percent													
Vacation Intended		48.4		49.5		50.9		49.4		49.7		52.0	
Destination													
Home state		9.2		10.1		11.5		10.2		9.7		10.1	
Other state		34.4		34.0		35.2		34.2		35.7		36.9	
Foreign country		6.3		6.6		5.9		6.8		6.6		6.8	
Means of travel													
Automobile		28.8		30.3		33.2		29.8		30.7		30.6	
Airplane		18.0		18.9		18.4		19.5		20.9		21.3	
Other		4.0		3.7		4.3		4.6		3.7		4.2	

(p)—preliminary (r)—revised

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